## Congress of the United States Washington, DC 20515

June 13, 2023

The Honorable Gina Raimondo Secretary of Commerce 1401 Constitution Avenue, NW Washington, D.C. 20230 The Honorable Katherine Tai United States Trade Representative 600 17<sup>th</sup> Street, NW Washington, D.C. 20508

Dear Secretary Raimondo and Ambassador Tai,

We write with deep concerns regarding recent influxes of imported shrimp into United States markets and urge you to take decisive action to put American shrimpers and our aquaculture industry first. As you are aware, the U.S. shrimp industry has a rich history in our Gulf Coast states and is now facing peril as foreign competitors are increasingly dumping shrimp into domestic markets. This has resulted in the inability of domestic shrimpers to stay in business and maintain competitiveness.

Since 1980, the Gulf States accounted for 86% of commercially wild-caught white shrimp, totaling more than 3.3 billion pounds. In 1980, the average dockside shrimp price was valued at approximately \$6.50 per pound, which fell to \$2.50 per pound in 2014, and has now plummeted to approximately less than \$1.00 per pound. After meeting directly with shrimpers from the Gulf Coast region, it is evident that they are in dire straits, facing some of the lowest prices due to foreign shrimp being dumped into United States markets from countries such as Ecuador, India, Thailand, China, Indonesia, and Vietnam.<sup>3</sup>

Illegal shrimp dumping is not a new issue for our shrimpers. In fact, in 2005, the International Trade Commission (ITC) determined the following:

Pursuant to section 735(b) of the Tariff Act of 1930, an industry in the United States is materially injured by reason of imports from Brazil, China, Ecuador, India, Thailand, and Vietnam of certain non-canned warmwater shrimp and prawns that have been found by the Department of Commerce to be sold in the United States at less than fair value.<sup>4</sup>

Simply put, these continued troubling trends are unsustainable for our Gulf Coast shrimpers, many of which are being squeezed out of the market and forced to keep their vessels docked at shore. While we are encouraged by the ITC's recent decision to "unanimously uphold anti-dumping duty order on imported shrimp from China, India, Thailand and Vietnam following their third five-year sunset review," much more needs to be done address the influx imported shrimp from Ecuador.<sup>5</sup>

Globally, Ecuador accounts for the largest shrimp supply growth in the world, and is continuing to grow exponentially.<sup>6</sup> Annually, Ecuador imports at least 713 million pounds of shrimp to the United States, which has

<sup>&</sup>lt;sup>1</sup> Mississippi State University, "Vol. 10 No. 6 / Dockside and Wholesale Prices of White Shrimp," June 8, 2020.

<sup>&</sup>lt;sup>2</sup> Ibid.

<sup>&</sup>lt;sup>3</sup> PBS, "Louisiana shrimpers are in trouble. Here's why," June 2, 2023.

<sup>&</sup>lt;sup>4</sup> United States International Trade Commission, "<u>Certain Frozen or Canned Warmwater Shrimp and Pawns From Brazil, China, Equador, India, Thailand, and Vietnam,</u>" January 2005.

<sup>&</sup>lt;sup>5</sup> United States International Trade Commission, "<u>USITC MAKES DETERMINATIONS IN FIVE-YEAR</u> (<u>SUNSET</u>) REVIEWS CONCERNING FROZEN WARMWATER SHRIMP FROM CHINA, INDIA, THAILAND, AND VIETNAM," June 1, 2023.

<sup>&</sup>lt;sup>6</sup> SeafoodSource, "Ecuador's production, US demand key drivers of global shrimp market," October 27, 2022.

increased 54% since 2020.7 Even more staggering, Ecuador's import volume of shrimp has grown by 24% in the last year alone.8 While we understand that factors such as Ecuador's improvements in production efficiency, genetics, and its logistical advantage being closer to the United States, American shrimpers on the Gulf Coast are feeling the immense consequences of having to compete with the inundation of foreign shrimp dumping.

Additionally, health concerns with imported shrimp are on full display and do not adhere to our domestic health standards. According to GAO analysis from a 2017 report, it found that 12% of shrimp samples tested positive for unsafe drugs and that the FDA only looks at about 2% of imports for issues.9 Not to mention, many of the highest volume shrimp importing countries to the United States have lower wage, workplace safety, health, environmental, labor, and financial standards compared to those in the United States. American shrimpers must be protected by our commerce and trade policies, and not impeded by foreign competitors.

In light of the fragility and uncertainty our domestic shrimpers face, we ask that you respond to the following questions:

- 1. Please outline in detail the actions the Office of the United States Trade Representative is taking to mitigate the effects of foreign imported shrimp from foreign nations, which is squeezing out domestic shrimpers.
- 2. How are the Department of Commerce's antidumping duty and countervailing duty laws working to protect American shrimpers? Specifically, to what extent are antidumping orders being inflicted on imported shrimp from Ecuador?
- 3. What additional action(s) will the Department of Commerce and USTR take to address the pressing challenges the industry continues to face? What remedies can and will the Department of Commerce and USTR take provide immediate relief for shrimpers under current U.S. law?

Thank you for your careful attention to these issues and we look forward to your prompt response.

Sincerely,

Troy E. Nehls

Member of Congress

Michael Cloud Member of Congress

CC:

The Honorable David Johanson Chairman U.S. International Trade Commission

Member of Congress

Vicente Gonzalez Member of Congress

Ryan Majerus Deputy Assistant Secretary for Policy and Negotiations United States Department of Commerce International Trade Administration

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Brian Babin

Member of Congress

<sup>&</sup>lt;sup>7</sup> Intrafish, "Global Shrimp Suppliers Share of US Shrimp Imports," August 11, 2022.

<sup>&</sup>lt;sup>8</sup> Tridge Analysis, "Ecuador Surpasses India as Top US Import Origin of Frozen Shrimp, Set Up to Lead in 2023," May 15, 2023.

<sup>&</sup>lt;sup>9</sup> U.S. Government Accountability Office, "Imported Seafood Safety," September 15, 2017.